RBI Establishes Payments Regulatory Board

India's digital payment landscape gets a major regulatory upgrade with the creation of a new oversight body designed for the future of finance.

A New Era in Payment Regulation

The Shift

The Reserve Bank of India has established a six-member Payments Regulatory Board (PRB) to oversee India's rapidly expanding digital payment systems.

This replaces the earlier Board for Regulation and Supervision of Payment and Settlement Systems (BPSS).

Why Now?

India's digital payment landscape is expanding rapidly, requiring more focused and adaptable oversight.

The PRB functions with broader authority and a more inclusive structure, ensuring transparency, efficiency, and security.

Legal Foundation & Structural Evolution

Legal Authority

Derives power from the Payment and Settlement Systems Act, 2007

Distinct Entity

Not a sub-committee but a standalone board supported by DPSS

Global Ambition

Aligns with India's goal to lead in digital payments worldwide

Board Composition: Expertise Meets Oversight

1. **RBI Governor Sanjay Malhotra**
   Chairperson of the Payments Regulatory Board
2. **Deputy Governor**
   In charge of payment systems
3. **Executive Director**
   Responsible for payment systems operations
4. **Secretary of Financial Services**
   Government nominee representing financial policy
5. **Secretary of Electronics & IT**
   Government nominee for technology perspective
6. **Aruna Sundararajan**
   Former Telecom Secretary bringing industry expertise

Balanced Leadership

3	3	6
RBI Members	Government Nominees	Total Members
Central bank expertise in monetary policy and financial regulation	Policy, technology, and telecommunications perspectives	Diverse composition ensuring comprehensive oversight

Decision-Making Framework

01

Majority Vote

All decisions require majority approval from board members

02

Tie-Breaking Power

Chairperson or Deputy Governor holds casting vote in deadlock situations

03

Regular Meetings

Board convenes at least twice annually for formal deliberations

04

Circulation Authority

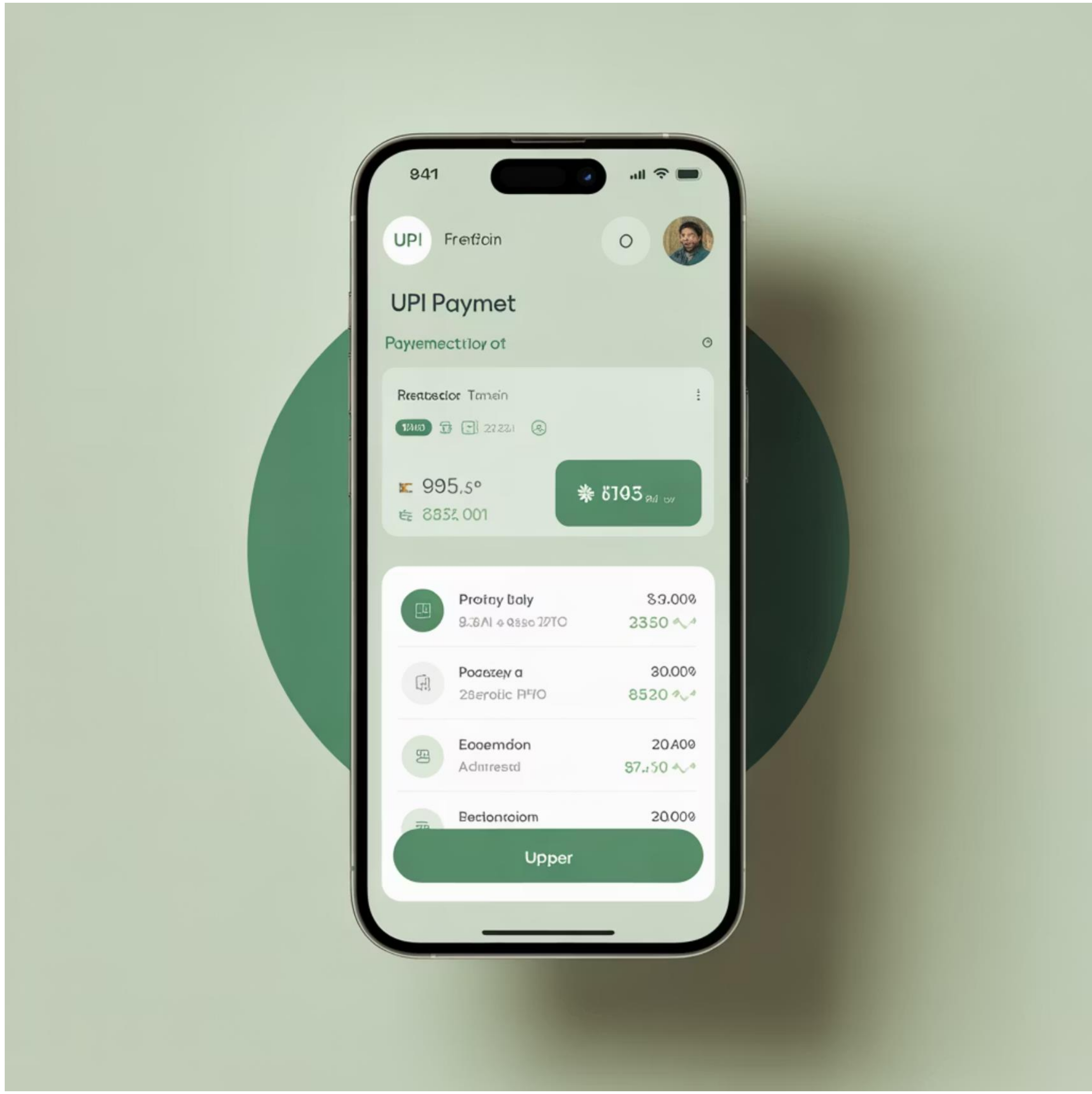
Chair can authorize decisions via circulation when needed

Legal Safeguard: The Principal Legal Adviser of RBI serves as a permanent invitee, ensuring all regulatory decisions are legally sound.

Comprehensive Regulatory Scope

Payment Systems Under PRB Oversight

- Electronic systems: UPI, NEFT, RTGS, IMPS, card networks
- Non-electronic systems: cheque clearing
- Domestic and cross-border transactions
- Public and private payment platforms



From Traditional to Digital: Full Spectrum Coverage

Traditional Banking

Cheque clearing and conventional payment channels

Digital Platforms

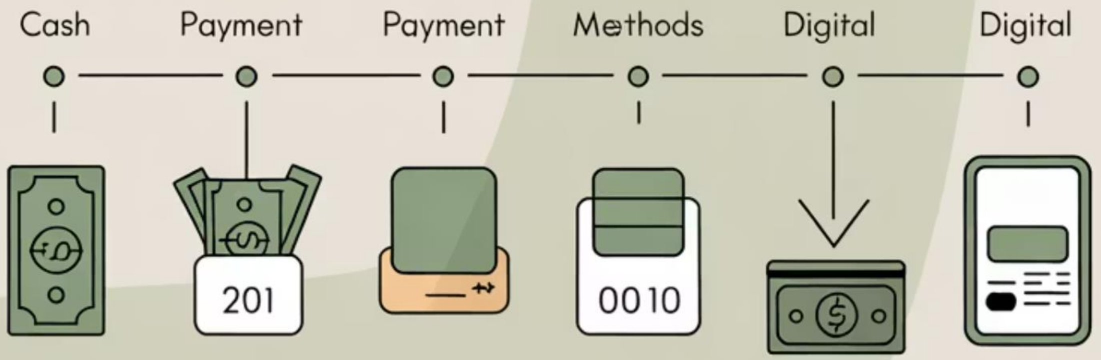
UPI, NEFT, RTGS, IMPS, and card networks

Fintech Innovation

Emerging payment technologies and platforms

Cross-Border

International payment systems and transactions



Mission: Security, Interoperability & Resilience

Security

Ensuring robust protection against fraud and cyber threats across all payment channels

Interoperability

Seamless integration between different payment systems and platforms

Resilience

Building systems that can withstand disruptions and maintain continuous operations

Key Takeaways

PRB Established in 2025

Replaces BPSS with broader authority and more inclusive structure

Legal Foundation

Backed by Payment and Settlement Systems Act, 2007

Six-Member Board

Chaired by RBI Governor Sanjay Malhotra with 3 RBI and 3 government nominees

Comprehensive Oversight

Regulates all payment systems—electronic, non-electronic, domestic, and cross-border

Operational Support

Department of Payment and Settlement Systems (DPSS) reports directly to PRB